

ORIGINAL HOUSE
BILL NO. 0002

ENROLLED ACT NO. 1, HOUSE OF REPRESENTATIVES

FIFTY-SEVENTH LEGISLATURE OF THE STATE OF WYOMING
2003 GENERAL SESSION

AN ACT relating to banks, banking and finance; correcting definitions for branch banking; modifying bank service organization provision; adding penalty provisions for persons engaged in the trust business; applying penalty provisions to financial institutions; adding provision to remove and suspend an officer or director of a bank holding company; making conforming amendments; eliminating unnecessary language; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 13-1-101(a)(xiv), 13-2-701(a)(i) and (iv), 13-5-110(a)(i), 13-9-101(f), 13-10-101, 13-10-102, 13-10-103(b), 13-10-104(a) and (b), 13-10-106, 13-10-107(b), (c), (e) and (f), 13-10-108 by creating a new subsection (c), 13-10-109 through 13-10-111 and 13-10-205(a)(intro) are amended to read:

13-1-101. Definitions.

(a) As used in this act, unless another definition is specifically provided for a section, article or chapter of this act:

(xiv) "This act" unless otherwise indicated means W.S. 13-1-101 through ~~13-10-209~~ 13-11-101;

13-2-701. Definitions.

(a) As used in this act:

(i) "Branch" means any manned branch bank, branch office, branch agency, additional office, separate office or any branch or separate place of business operated by a parent bank in this state which offers any or all of

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the banking services conducted at a parent bank, but excludes a remote electronic terminal as defined in W.S. 13-1-501(a)(v) and loan production offices operated in accordance with W.S. 13-2-709;

(iv) "Parent bank" means a state or national bank which operates or has applied to operate a branch in this state;

13-5-110. Powers of state banking commissioner.

(a) In addition to other powers conferred by this act, the state banking commissioner shall:

(i) Supervise and examine all trust companies organized under the provisions of this act and all such trust companies shall be subject to the laws of this state governing banks and other financial institutions in all cases where the laws do not conflict with the provisions of this act. All trust companies shall file with the commissioner the Federal Financial Institutions Examination Council Annual Report of trust assets for the company and an annual report of the financial condition of the company; ~~All financial institutions operating a trust department shall file annually similar reports regarding its trust department as the commissioner may require by rule and regulation;~~

13-9-101. Generally.

(f) ~~A state bank shall not cause to be performed, by contract or otherwise, any bank services for itself, whether on or off its premises, unless satisfactory assurances are furnished to the state banking commissioner in writing by both the bank and the party performing the services that the performance of the services will be All~~

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bank services and bank service corporations shall be subject to regulation and examination by the state banking commissioner to the same extent as if the services were being performed by the bank itself on its own premises. Any bank contracting for or receiving bank services from a bank service corporation shall notify the commissioner within thirty (30) days of the earlier of the contract date or receipt of services.

13-10-101. General penalty.

Any officer, director, owner or employee of a ~~bank or trust company~~ financial institution who willfully and knowingly violates any provision of this act for which a penalty is not expressly provided is guilty of a misdemeanor punishable by a fine of not less than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000.00), imprisonment for not more than one (1) year, or both.

13-10-102. False statements.

(a) Any owner, director, officer or employee of a ~~bank or trust company~~ financial institution who makes any false entry or fails to make new entries of matters pertaining to the affairs of the ~~bank~~ financial institution in the books or statements of the ~~bank~~ financial institution with intent to injure or defraud the ~~bank~~ financial institution or deceive any officer of the ~~bank~~ financial institution or any person appointed to examine the affairs of the ~~bank~~ financial institution is guilty of a felony punishable by a fine of not less than one thousand dollars (\$1,000.00) nor more than five thousand dollars (\$5,000.00), imprisonment for not less than one (1) year nor more than ten (10) years, or both.

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(b) Any officer, director, owner or employee of a ~~bank or trust company~~ financial institution who willfully and knowingly subscribes, makes or causes to be made any false statement or report to the state banking commissioner, or subscribes or exhibits false papers with intent to deceive any person authorized to examine the affairs of the ~~bank~~ financial institution, or states or publishes any false report or statement of the ~~bank~~ financial institution is guilty of a felony punishable by a fine of not less than one thousand dollars (\$1,000.00) nor more than five thousand dollars (\$5,000.00), imprisonment for not less than one (1) year nor more than ten (10) years, or both.

(c) Any person who willfully and knowingly makes, circulates or transmits any false statement or rumor to another which is directly or indirectly derogatory to the financial condition or affects the solvency or financial standing of a ~~bank~~ financial institution doing business in Wyoming is guilty of a misdemeanor punishable by a fine of not more than seven hundred fifty dollars (\$750.00), imprisonment for not more than six (6) months, or both.

13-10-103. Fraudulent insolvency.

(b) Any officer or director of a ~~bank~~ financial institution who participates in a fraudulent insolvency of a ~~bank~~ financial institution is guilty of a misdemeanor punishable by a fine of not less than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000.00), imprisonment for not less than one (1) month nor more than one (1) year, or both.

13-10-104. Wrongful certification, issuance or delivery of instruments, preferences or borrowing.

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(a) Any owner, director, officer, agent or employee of a ~~bank~~financial institution who willfully certifies a check on the account of the drawer of the check which does not contain sufficient funds to pay the check is guilty of a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000.00).

(b) Any owner, director, officer or employee of a ~~bank~~financial institution who issues or delivers any certificate of deposit, draws any check, draft or bill of exchange, makes any acceptance, or signs any note, bond, draft, bill of exchange, mortgage, judgment or decree without the approval of the board of directors is guilty of a felony punishable by imprisonment for not less than one (1) year nor more than twenty (20) years.

13-10-106. Transactions exceeding liability limits; concealing or failing to report transactions.

(a) Any officer, director or agent of a ~~bank~~financial institution who makes or delivers any guarantee or endorsement on behalf of the ~~bank~~financial institution whereby the ~~bank~~financial institution may become liable upon any of the ~~bank's~~financial institution's discounted notes, bills or obligations in an amount exceeding the amount of loans or discounts which the ~~bank~~financial institution may make under this act is guilty of a misdemeanor punishable by a fine of not less than five hundred dollars (\$500.00) nor more than one thousand dollars (\$1,000.00), imprisonment for not less than one (1) month nor more than one (1) year, or both.

(b) Any director of a ~~bank~~financial institution who concurs in any vote or act of the board of directors or any director of the ~~bank~~financial institution whereby it is intended to make a loan or discount to a director of the

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~~bank—financial institution~~ or upon an instrument on which a director is liable, exceeding the amount allowed under this act, is guilty of a misdemeanor punishable by a fine of not less than five hundred dollars (\$500.00) nor more than one thousand dollars (\$1,000.00), imprisonment for not less than one (1) month nor more than one (1) year, or both.

(c) Any officer, director or employee of a ~~bank financial institution~~ who intentionally conceals any discounts or loans, purchases of securities or sale of ~~bank financial institution~~ securities by the ~~bank—financial institution~~ from the officers or directors of the ~~bank financial institution~~, or who knowingly fails to report all discounts, loans or purchases of securities by the ~~bank financial institution~~ to the board of directors when required to do so by law, is guilty of a misdemeanor punishable by a fine of not less than five hundred dollars (\$500.00) nor more than one thousand dollars (\$1,000.00), imprisonment for not less than one (1) month nor more than one (1) year, or both.

13-10-107. Failure to report or cooperate with state banking commissioner.

(b) Any bank failing to submit reports to the state banking commissioner as required by W.S. 13-3-701(d) is subject to a civil penalty of twenty-five dollars (\$25.00) per day for each day the reports are delayed. Any trust company failing to submit reports to the commissioner as required by W.S. 13-5-110(a)(i) is subject to a civil penalty of twenty-five dollars (\$25.00) per day for each day the reports are delayed.

(c) Any officer, director or employee of a ~~bank financial institution or bank holding company~~ who willfully and knowingly fails to report any transfer of ownership

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interests of the ~~bank~~financial institution or ~~of its a~~
bank holding company to the commissioner as required by
this act is guilty of a misdemeanor punishable by a fine of
not more than one thousand dollars (\$1,000.00),
imprisonment for not less than six (6) months nor more than
one (1) year, or both.

(e) Any person refusing or obstructing access to the
state banking commissioner to any books, records or papers,
refusing to furnish any required information, or hindering
a full examination of the books, accounts, papers and
finances of a ~~bank, savings and loan association or trust~~
~~company,~~financial institution is guilty of a felony
punishable by a fine of not less than one thousand dollars
(\$1,000.00), imprisonment for a period of not less than one
(1) year, or both.

(f) A ~~bank~~financial institution shall keep books and
accounts in a convenient manner so as to enable the
examiner to readily ascertain the true condition of the
~~bank~~financial institution. Any ~~bank~~financial institution
that refuses or neglects to open and keep books and
accounts as prescribed by the state banking commissioner is
subject to a penalty of three hundred dollars (\$300.00) per
day for each day the ~~bank~~financial institution neglects or
fails to open and keep the books and accounts after
receiving written notice from the state banking
commissioner.

**13-10-108. Operating bank or savings and loan
association or trust company without complying with
provisions.**

(c) Any person, firm or corporation which conducts a
trust business without compliance with this act and
following ten (10) days notice given by the commissioner,

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is guilty of a misdemeanor punishable by a fine of not less than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000.00), imprisonment for not more than six (6) months, or both.

13-10-109. Refusal to exhibit stock ledger or register.

Any officer of a ~~bank~~financial institution refusing to exhibit the stock ledger or register of the ~~bank~~financial institution to any person entitled to inspect the ledger or register is guilty of a misdemeanor punishable by a fine not to exceed fifty dollars (\$50.00).

13-10-110. Improper procurement of loans; permitting accounts to be overdrawn.

Any officer, director, agent or employee of a ~~bank~~financial institution who asks for, receives or agrees to receive any compensation, reward or personal advantage for procuring or endeavoring to procure for any person, firm or corporation any loan from or the purchase or discount of any instrument by the ~~bank~~financial institution, or for permitting any person, firm or corporation to overdraw any account with the ~~bank~~financial institution, is guilty of a felony punishable by a fine of not less than one thousand dollars (\$1,000.00) nor more than five thousand dollars (\$5,000.00), imprisonment for not less than one (1) year nor more than ten (10) years, or both.

13-10-111. Financial involvement by state banking commissioner and employees.

The state banking commissioner and employees of the state banking commissioner's office shall not become indebted to any ~~bank~~financial institution under state supervision nor

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shall engage or be interested in the sale of securities or negotiation of loans for others with any ~~bank~~financial institution under state supervision. Violation of this section constitutes grounds for removal from office.

13-10-205. Removal of officer or director; notice; opportunity for hearing.

(a) After notice and opportunity for hearing, the commissioner may issue a final order removing an officer or director of a Wyoming financial institution or a bank holding company if the officer or director:

Section 2. This act is effective July 1, 2003.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk